IN THE HIGH COURT OF GUJARAT AT AHMEDABAD

COMPANY PETITIONS No 157 to 166 of 2002

For Approval and Signature:

Hon'ble MR.JUSTICE K.A.PUJ

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1. Whether Reporters of Local Papers may be allowed to see the judgements? : NO

2. To be referred to the Reporter or not? : NO

3. Whether Their Lordships wish to see the fair copy of the judgement? : NO

4. Whether this case involves a substantial question of law as to the interpretation of the Constitution of India, 1950 of any Order made thereunder? : NO

5. Whether it is to be circulated to the concerned Magistrate/Magistrates,Judge/Judges,Tribunal/Tribunals? : NO

WILNET COMMUNICATIONS PVT.LTD.

Versus

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Appearance:

1. COMPANY PETITION No. 157 of 2002

MRS SWATI SOPARKAR for Petitioner No. 1

MS PJ DAVAWALA for Respondent No. 1

CORAM : MR.JUSTICE K.A.PUJ

Date of decision: 27/11/2002

COMMON ORAL JUDGEMENT

1. These are the petitions filed by ten companies belonging to the same group of management for the sanction of the scheme of arrangement under Section 391

read with Section 394 of the Companies Act, 1956. The scheme comprises of both de-merger (Part-I) and amalgamation (Part-II). Wilnet Communications Private Limited is a company which proposes to de-merge and transfer its Internet Service Provider (ISP) division and transfer the same to the Resulting Company. Eight other group companies viz. Green Channel Travel Services Private Limited, Chichadee Investment Pvt. Ltd., Delphenium Investment Pvt. Ltd., Indraraj Investment Pvt. Ltd., Indrashil Inv. Pvt. Ltd., Rajshil Inv. Pvt. Ltd., Shilraj Inv. Pvt. Ltd. and Woodduck Inv. Pvt. Ltd. are the Transferor Companies which propose to amalgamate with the Transferee Company. A company namely, Indian Research Manifestation Labs Private Limited is the Resulting Company for Part-I and the Transferee Company for the part-II of the scheme. All the companies have their registered office in the State of Gujarat and hence, the necessary proceedings for all these companies have been undertaken before this High Court only.

2. Wilnet Communications Pvt. Ltd., the de-merged company is engaged in various forms of telecommunications like telecom and internet services. It proposes to de-merge and transfer only the internet activities to the Resulting Company. The company after such de-merger shall continue its other business activities viz. telecommunication. Green Channel Travel Services Private Limited is engaged in the business as tourist agents and contractors to facilitate travelling. All the other Transferor companies are engaged in the investment activities. Indian Research Manifestation Labs Pvt. Ltd., the Resulting/the Transferee Company is engaged in the business of providing consultancy services. The petitions give details of the objectives and advantages that would flow by virtue of the proposed arrangement of these companies.

3. The Scheme of Arrangement has been unanimously approved by the Equity Shareholders of all the companies by giving written consents. The Preference shareholders of two petitioner companies had also given their written consents approving the said scheme. Hence, their meetings were dispensed with. All the creditors of the petitioner companies had also given their consents in writing and so their meetings were also dispensed with.

4. After the petitions were admitted they were advertised in the newspapers (Indian Express, Ahmedabad edition dated 27.8.2002, Jansatta Ahmedabad Edition dated 27.8.2002). No one has come forward before this Court

opposing sanction of the Scheme of Arrangement.

5. Notice of the petition have been served upon the Central Government and Mr. DN Patel, ld. Central Government Standing Counsel along with Smt. Parinda J. Davawala, ld. Addl. Central Govt. Standing Counsel appearing for the Central Government have put on record the letter dated 25.10.2002 wherein no objection was raised by the Central Government in sanctioning the Scheme of Arrangement.

6. Notice of all the transferor companies have also been served upon the Official Liquidator as required under 2nd proviso to Section 394(1) of the Act and the Official Liquidator has filed his report dated 23.9.2002 stating that the affairs of the transferor company are not conducted in a manner prejudicial to the interests of its members or to public interest.

7. I have heard Smt. Swati S. Soparkar, ld. advocate for the petitioner-companies. Having gone through the petitions and considering the submissions made, I am satisfied that proposed arrangement would be in the interest of the companies and their members and creditors. Under the circumstances the Scheme of Arrnagement (Annexure-C to the petitions) is hereby sanctioned. The prayers in terms of Para-15 of the petitions are granted.

8. The petitions are disposed of accordingly. So far as the costs to be paid to the Central Government Standing Counsel are concerned, I quantify the same at Rs. 2500/ per petition. The same shall be paid as Rs. 2500/ for one petition to Shri D.N. Patel, ld. Senior Central Govt. Standing Counsel and Rs.22,500/- total for the other nine petitions to Smt. P.J. Davawala, Ld. Addl. Central Government Standing Counsel.

(K.A. PUJ, J.)
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